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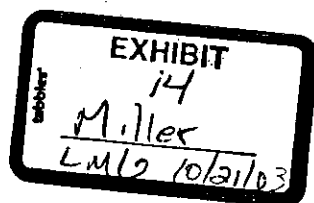
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# PARTICIPANT BENEFITS INFORMATION

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**COMEnergy**



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Commonwealth Energy System  
One Main Street  
Post Office Box 9150  
Cambridge, Massachusetts 02142-9150  
Telephone (617) 225-4000

June, 1997

Dear Participant:

Commonwealth Energy System and Subsidiary Companies ("the Company") recognizes your need for accurate up-to-date information regarding your employee benefits. To keep you informed about the benefits available to you and your eligible family members we have enclosed a package which contains updated Summary Plan Descriptions(s) and other pertinent information of the benefits that may presently be available to you and your eligible family members.

Please keep this package in a convenient location for easy reference whenever you have questions about your benefits and the coverage(s) that apply to you.

We hope you find this package to be a valuable resource.

Sincerely,

A handwritten signature in cursive script that reads "William G. Poist".

William G. Poist

Dupre-4139

TABLE OF CONTENTS

ADMINISTRATIVE SECTION

LIFE EVENTS CHART

EMPLOYEES SAVINGS PLAN

MASTER MEDICAL PLAN

BLUE CHOICE PLAN

MEDEX PLAN

DENTAL BLUE PLAN

LIFE INSURANCE PLAN

PENSION PLAN

## **Administrative Information Section**

This section describes your rights as prescribed by the Employee Retirement Income Security Act of 1974 (ERISA). If you are a participant in one of the System's benefit plans, the following information may be pertinent to you.

### **Plan Sponsor for all Plans is:**

Commonwealth Energy System and Subsidiary Companies  
One Main Street  
P.O. Box 9150  
Cambridge, Massachusetts 02142-9150  
(617) 225-4000

### **Plan Administrators:**

The Plan Administrator for all Plans excluding the Pension Plan for Employees of Commonwealth Energy System and Subsidiary Companies and the Employees Savings Plan of Commonwealth Energy System and Subsidiary Companies is:

COM/Energy Services Company  
One Main Street  
P.O. Box 9150  
Cambridge, Massachusetts 02142-9150  
(617) 225-4000

The Plan Administrator for the Pension Plan for Employees of Commonwealth Energy System and Subsidiary Companies is:

The Retirement Board of Commonwealth Energy System  
and Subsidiary Companies  
One Main Street  
P.O. Box 9150  
Cambridge, Massachusetts 02142-9150  
(617) 225-4000

The Plan Administrator for the Employees Savings Plan for Employees of Commonwealth Energy System and Subsidiary Companies is:

The Savings Plan Board of Commonwealth Energy System  
and Subsidiary Companies  
One Main Street  
P.O. Box 9150  
Cambridge, Massachusetts 02142-9150  
(617) 225-4000

Dupre-4241

**Agent for Service or Legal Process:**

Legal process concerning your rights under the Plans and/or under ERISA:

Douglas B. Miller  
Director of Labor Relations and Employee Benefits  
COM/Energy Services Company  
One Main Street  
P.O. Box 9150  
Cambridge, Massachusetts 02142-9150  
(617) 225-4000

**Plan Year:**

The Plan Year for all Plans is January 1 through December 31.

**Employer Identification Number:**

The Employer Identification Number (EIN) issued by the Internal Revenue Service for all Plans is 04-1662010.

The following is a summary of the Company's Plans, the Plan number and the type of Plan:

Plan Name	Plan Number	Type of Plan
Master Medical Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Master Medical Plan)	501	Welfare Plan
Blue Choice Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Blue Choice Plan)	501	Welfare Plan
Life Insurance Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Life Insurance Plan)	502	Welfare Plan
Dental Blue Program 2 for Employees of Commonwealth Energy System and Subsidiary Companies (Dental Blue Program 2)	503	Welfare Plan
Pension Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Pension Plan)	001	Defined Benefit Plan
Employees Savings Plan of Commonwealth Energy System and Subsidiary Companies (Employees Savings Plan)	002	Defined Contribution Plan

The following is a summary of the applicable Claims Administrators, Appeals Committee, Board Members, and/or Trustees for each of the Plans:

Plan	Claims Administrator
<ul style="list-style-type: none"> <li>• Master Medical Plan</li> <li>• Blue Choice Plan</li> <li>• Dental Blue Program 2</li> </ul>	Blue Cross and Blue Shield of Massachusetts 100 Summer Street Boston, MA 02110 (617) 832-5000
<ul style="list-style-type: none"> <li>• Life Insurance Plan</li> </ul>	John Hancock Mutual Life Insurance Company P.O. Box 3375 Boston, MA 02241 (617) 572-6000

Dupre-4243

Plan	Appeals Committee Members, Board Members and Agent
<ul style="list-style-type: none"> <li>• Pension Plan</li> <li>• Employees Savings Plan</li> </ul>	<b>Board Members:</b> W. G. Poist—President and Chief Executive Officer J. D. Rappoli—Financial Vice President and Treasurer M. P. Sullivan—Vice President, Secretary and General Counsel
	<b>Agent Appointed by the Boards:</b> D. B. Miller Director of Labor Relations and Employee Benefits COM/Energy Services Company One Main Street P.O. Box 9150 Cambridge, MA 02142-9150 (617) 225-4000

Plan	Trustees
<ul style="list-style-type: none"> <li>• Pension Plan</li> </ul>	State Street Bank and Trust Company P.O. Box 1992 Boston, MA 02105-1992 (617) 985-4822
<ul style="list-style-type: none"> <li>• Employees Savings Plan</li> </ul>	Vanguard Fiduciary Trust Company Vanguard Financial Center P.O. Box 2900 Valley Forge, PA 19482 (800) 523-1188

DuPre-4244

## **Funding of the Plans:**

The Pension Plan is funded by the Company through contributions determined by an actuary.

The Employees Savings Plan is funded by contributions from Plan participants and the Company.

The insured Welfare Plans are funded by the Company and/or Plan participants according to premiums determined by the insurance carriers.

The self-insured Welfare Plans are funded by the Company and/or Plan participants according to premiums determined by the carriers.

## **Your Rights Under the Law:**

As a participant in the Plan(s), you have certain legal rights and protections under ERISA which regulates the operation of the Plans and protects the Plan participants and their beneficiaries of certain employee benefits plans in this country. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA, which are described below:

- to examine, without charge, at the Plan Administrator's office and/or at other specified locations, such as worksites and union halls, all Plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan Administrators with the U.S. Department of Labor, such as detailed annual reports and Summary Plan Descriptions; and
- to obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies; and
- to receive a summary of the Plans' annual financial reports. The Plan Administrator is required by law to furnish each participant with a copy of a Summary Annual Report and a Summary Plan Description for all pertinent Plans.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plans. The people who are responsible for the plans are called "fiduciaries" and have a duty to operate the Plans prudently and in your interest and that of other Plan participants and their beneficiaries.

All claims should be submitted to the Claims Administrator for the Welfare Plans or with the Plan Administrator for the Defined Benefit and Defined Contribution Plans. There are some restrictions on how long you have to file a claim and these restrictions vary according to the Plan. If you would like to file a claim, please contact your Claims Administrator for all Welfare Plans and the Plan Administrator for both the Defined Benefit and the Defined Contribution Plans.



The following is a summary of the Company's Welfare Plans and the time limit for submitting claims:

Plan	Time Limit to file a Claim
<ul style="list-style-type: none"> <li>• Master Medical Plan</li> <li>• Blue Choice Plan</li> <li>• Dental Blue Program 2</li> </ul>	A claim must be submitted within 2 years from the date the service was rendered.
Life Insurance Plan	A claim must be submitted within 90 days from the date of your loss.

### **If Your Claim Is Denied:**

If your claim for a benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You may have the right to have your claim reviewed and reconsidered. Under ERISA, there are steps you can take to enforce the above rights. For example, if you request materials from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, if for example, the court finds your claim frivolous.

If you have any questions about this statement or your rights under ERISA, you should contact the Plan Administrator or the nearest Area Office of the U.S. Labor-Management Service Administration, Department of Labor.

Dupre-4246

## **Your Right to Appeal:**

You have a right to appeal a claim denial. You must submit a written request for appeal to the applicable Claims Administrator or Plan Administrator after you receive the claim denial notice. You and your representative may review the Plan documents pertinent to your claim and submit written comments and relevant information.

Plan	Time Limit to file an Appeal
<ul style="list-style-type: none"> <li>• Master Medical Plan</li> <li>• Blue Choice Plan</li> <li>• Dental Blue Program 2</li> </ul>	An appeal must be submitted within 2 years from the date your claim is denied.
<ul style="list-style-type: none"> <li>• Life Insurance Plan</li> </ul>	An appeal may not be taken less than 60 days after the written proof of loss has been furnished, nor more than 3 years after the time written proof must be furnished.

## **Final Decision:**

The applicable Appeals Committee, Claims Administrator or Plan Administrator has the authority to make final decisions with respect to paying claims and with respect to all other issues which may arise under the Plans.

## **Qualified Domestic Relations Order:**

The Plans summarized are used exclusively to provide benefits to you, and, in some cases, to your eligible dependents (including survivors, if you die). With the exception of your life insurance benefits, neither you nor the Company can assign, transfer or attach your benefits or use them for collateral.

Federal law prohibits assignment or attachment of your benefits from these Plans, except under a Qualified Domestic Relations Order (QDRO). A QDRO is a court order, issued in connection with a divorce or family support proceeding, which orders the Plan to pay benefits to someone other than you. The Company must obey these court orders, and any such payment will not violate the rule of non-assignability of benefits.

The Plan Administrator may be required to begin making payments from your Pension Plan or your Employees Savings Plan while you are still working. These payments could exhaust the total value of your accounts.

### **Title IV of ERISA:**

The Pension Plan is insured under Title IV of ERISA by the Pension Benefit Guaranty Corporation. Further information on the provisions of Title IV of ERISA can be obtained from the Plan Agent or the Pension Benefit Guaranty Corporation at the following address:

Pension Benefit Guaranty Corporation  
Office of Communications  
1800K Street  
North Washington  
Washington, DC 20005  
(202) 326-4040

The Employees Saving Plan is not insured under Title IV of ERISA by the Pension Benefit Guaranty Corporation.

### **COBRA Coverage:**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, you and your eligible dependents have a right to continue coverage for certain periods under group health plans. This federal mandate, which impacts employers that maintain group health plans and have more than twenty employees, protects covered employees and their dependents from losing their health insurance coverage due to certain life changing events. COBRA is not designed to be a permanent vehicle for health insurance coverage, but rather as a temporary extension of health insurance coverage. If you need more information about COBRA, please contact your local Employee Benefits Representative.



Dupre-4248

## Life Events Chart

In the event you:	You should:
<i>change your address</i>	<ul style="list-style-type: none"> <li>• Contact your local Employee Benefits Representative.</li> <li>• Update address information for the Employee Benefits database.</li> </ul>
<i>get married</i>	<ul style="list-style-type: none"> <li>• Contact your local Employee Benefits Representative.</li> <li>• Review medical coverage. You may want to enroll spouse.</li> <li>• Provide Employee Benefits with a copy of your marriage certificate.</li> <li>• Update spousal information for the Employee Benefits database.</li> <li>• Review beneficiary designations and make appropriate changes.</li> <li>• Make any appropriate name and/or address changes.</li> </ul>
<i>have a baby or adopt a child</i>	<ul style="list-style-type: none"> <li>• Contact your local Employee Benefits Representative.</li> <li>• Furnish your local Employee Benefits Representative with a copy of your child's birth certificate and Social Security Number.</li> <li>• Update dependent information for Employee Benefits database.</li> <li>• Review beneficiary designations and make appropriate changes.</li> <li>• Add dependent to medical and dental plans, if applicable.</li> </ul>
<i>have a dependent who attains age 19 or 23</i>	<ul style="list-style-type: none"> <li>• Contact your local Employee Benefits Representative.</li> <li>• If the child is under age 23 and a full-time student, provide student certification for continuation of medical and dental coverage.</li> <li>• If your child is no longer a student or attains age 23, review medical and dental coverages for continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA) or coverage under a non-group policy.</li> </ul>
<i>become legally separated or divorced</i>	<ul style="list-style-type: none"> <li>• Contact your local Employee Benefits Representative.</li> <li>• Provide your divorce decree.</li> <li>• Review beneficiary designations and make appropriate changes.</li> <li>• Update dependent information for Employee Benefits database.</li> <li>• Sign an affidavit of divorce.</li> <li>• Review medical and dental membership and make any appropriate changes.</li> </ul>

Dupre-4249

## Life Events Chart (continued)

In the event you:	You should:
<i>experience the death of a spouse</i>	<ul style="list-style-type: none"> <li>• Contact your local Employee Benefits Representative.</li> <li>• Review medical and dental coverages and change membership, if applicable.</li> <li>• Review beneficiary designations and make appropriate changes.</li> </ul>

